



HOUSE
BUDGET
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Budget Digest

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Budget Digest: SNAP Reform Proposals

SNAP Background. The Supplemental Nutrition Assistance Program (SNAP) is the federal government's largest food assistance program. In 2019, the government will spend approximately \$65 billion to provide SNAP benefits to almost 40 million low-income Americans. Over the next ten years, the cost of SNAP is projected to exceed \$650 billion.¹ To address elevated program costs, the Department of Agriculture proposed rules to reform the program. These rules are intended to better direct resources to those most in need and improve work requirements.

SNAP and Broad-Based Categorical Eligibility. Under current law, beneficiaries must have incomes below 130 percent of the federal poverty level, in addition to meeting an asset test, in order to be eligible for SNAP benefits. Individuals can also qualify for SNAP under broad-based categorical eligibility, where eligibility is conferred from receipt of benefits from other anti-poverty programs such as the Temporary Assistance for Needy Families (TANF) program. Through broad-based categorical eligibility, individuals can circumvent SNAP's traditional requirements, such as the asset test, if they receive services—even of a nominal value—from TANF. Forty-three states currently take advantage of this loophole, expanding SNAP beyond its intended scope. For example, in one well-publicized case, a millionaire was approved for SNAP benefits.²

Last week, the Department of Agriculture proposed a rule that will reform broad-based categorical eligibility for SNAP. The Administration's rule would require a substantial (at least \$50 per month), ongoing benefit from the TANF program in order to be eligible for SNAP under broad-based categorical eligibility. This would help ensure SNAP benefits are targeted to those most in need. The proposed rule could save more than \$9 billion over five years. Reforming broad-based categorical eligibility was included in last year's House-passed farm bill (H.R. 2, *The Agriculture and Nutrition Act of 2018*). Similar proposals have been included in previous House Republican budget resolutions.

SNAP and Work Requirements. Last December, the Department of Agriculture proposed to improve work expectations for SNAP. Under current law, SNAP recipients who are able-bodied adults without dependents must generally work at least 20 hours a week in order to continue receiving benefits. However, states and localities can be exempt from these work requirements under certain circumstances. The Administration's proposed rule would limit exemptions to areas with more than 7 percent unemployment, which will strengthen work expectations for the program. This proposal is also consistent with last year's House-passed farm bill and previous House Republican budget resolutions.

¹ <https://www.cbo.gov/system/files/2019-05/51312-2019-05-snap.pdf>.

² <https://www.twincities.com/2018/04/11/minnesota-millionaire-tells-lawmakers-he-got-food-stamps-to-make-a-point/>.